

BUSINESS MATTERS

TAKING THE PULSE OF BUSINESS IN DOWNTOWN SAC

PRODUCED BY  DOWNTOWN SACRAMENTO PARTNERSHIP  SACRAMENTO PRESENTED BY  tri counties bank

Summary Results | September 27, 2018

To foster a prosperous business climate in downtown Sacramento, on September 27, 2018, volunteer walkers, consisting of business and civic leaders led by Downtown Sacramento Partnership and the City of Sacramento, set out to visit 316 businesses to interview owners and managers about their sentiments of doing business in downtown Sacramento. Capturing data from 185 businesses, conversations focused on three basic questions:

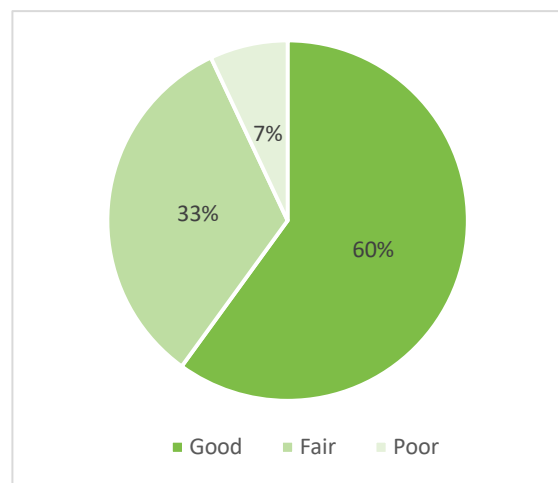
- How's business?
- What do you like about doing business in downtown?
- What should be done to improve doing business downtown?

With a majority of answers – 60 percent – coming from owners, supervisors or managers directly involved with the daily business operations, responses are indicative of today's business climate.

HOW'S BUSINESS?

Over half of the businesses surveyed reported that business is good or better than previous years. Most accredited their success to completion of construction projects nearby, creating connectivity from DOCO to the Old Sacramento Waterfront. Many also noted high foot traffic from events as well as the great community and location, in particular proximity to new businesses, Golden 1 Center and the Crest Theatre as positives. Anecdotally, we heard...

- *24-hour Fitness noted business is "Amazing," and excitement about DOCO.*
- *Echo & Rig reported that business is "fantastic" the place to be right now.*
- *Hornblower River Cruises reported that business is booming since the Embarcadero was renovated.*



- *PLA Skateboard on J Street reported sales are up from last year, with many customers coming to the store from the arena.*
- *Joe’s Crab Shack said sales are up by approximately 12 percent and management had to increase staffing because the business climate has improved so much.*
- *Others shared they “Love the vibe, glad construction is letting up and business is returning... it’s great that something is always going on in Downtown and the Old Sacramento Waterfront.”*

By comparison, roughly 33 percent of the businesses surveyed stated business is fair and 7 percent stating business is poor. Many of these responses cited sewer construction on 9th Street, reduced number of events and the cost of parking during events in the Old Sacramento Waterfront as well as market saturation hurting sales.

WHAT DO YOU LIKE ABOUT DOING BUSINESS DOWNTOWN?

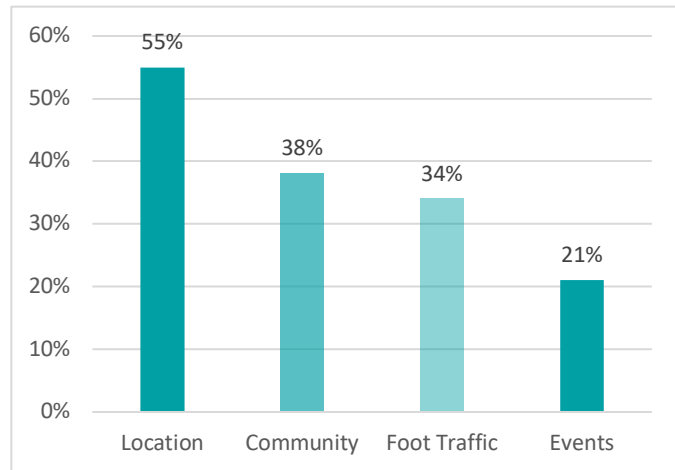
The main reason why businesses stay in downtown Sacramento is because of the location, followed by community and foot traffic.

“Love the proximity to the arena and convention center.” -- Dad’s on J

“Love being near all the hustle and bustle of downtown. Old Sacramento is centrally located and very convenient for customers. -- Bohemian Aesthetic Atelier

“Everything is in walking distance for customers.” -- Eye’s on J Street

“Lots of business at lunchtime from the Capitol.” -- Ma Jong’s



Other respondents stated the eclectic, dynamic and always evolving mix of customers and tourists, energy, arts, politics and vibe of downtown and nearby events were all positive parts of doing business in downtown.

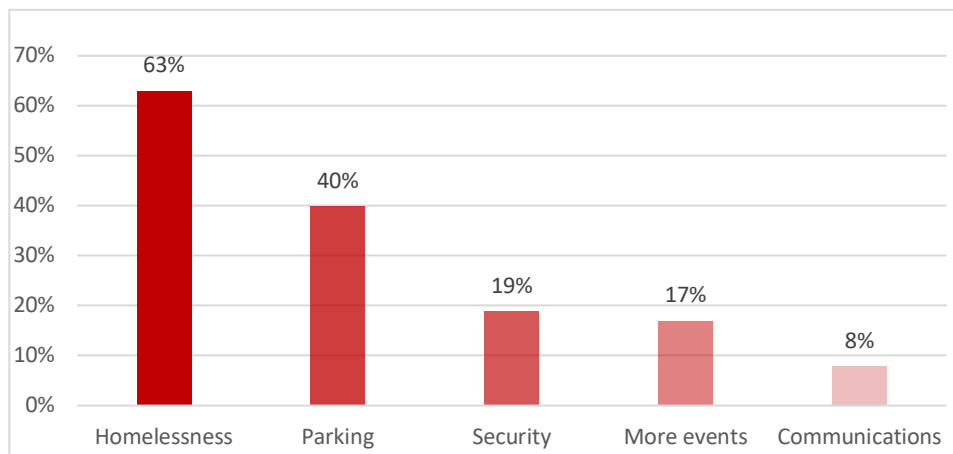
WHAT SHOULD BE DONE TO IMPROVE BUSINESS DOWNTOWN?

Overwhelmingly, homelessness and parking topped the list for opportunities to improve business downtown with 63% citing concerns about the impacts of homelessness and 40% citing parking. By comparison to previous years, the overall number of businesses citing homelessness and parking concerns has slightly decreased.

Similar to businesses surveyed in 2016 and 2017, roughly two thirds specifically cited concerns about sanitation and security. However, comments specific to outdoor restroom use increased. Safety is also one of the main issues for the businesses with many complaining of aggressive behavior, panhandling and theft. Some noted that employees and customers are afraid of being alone because of aggressive behavior.

Many businesses also complained of vacant buildings which give a feel of a deserted location that diverts clients from their business altogether. People feel unsafe around these areas because of the emptiness and increased homeless and crime activity on these blocks.

Even with the continuing struggle with homelessness in downtown, many reported they are hopeful that the City will continue to work toward solving homelessness. Downtown Partnership was very well known among businesses and their participation and continued efforts to clean the area of litter.



Businesses talked about parking being unaccommodating to their customers and employees. They often field complaints about limited parking availability and rates. In particular, Old Sacramento Waterfront customers struggle with arena event parking in city-owned garages in the area since customers patronizing their businesses become subject to the higher pricing and flat rates and therefore, are less likely to come into the district. Across the district, parking concerns also focused on the need for employee parking (availability and rates).

Some of the businesses surveyed would like to see more events in downtown to attract more customers.

SURVEY DEMOGRAPHICS

To understand the businesses surveyed and what makes them unique, surveyors also asked demographics questions:

How long have you been in business?

<1 year	8%
1-5 years	20%
6-10 years	20%
10-15 years	13%
16+ years	39%

76 percent are locally-owned businesses and nearly two thirds of business owners live in the City of Sacramento.

Are you open past 8 p.m.?

2018	
Yes	42%
No	45%
Sometimes	13%

By comparison, 47 percent were open past 8 p.m. when surveyed in 2017 and 35 percent in 2016, prior to the opening of Golden 1 Center.

How many locations do you have?

One location in downtown Sacramento	60%
Multiple locations in the region	20%
Locations statewide/nationwide/worldwide	20%

Almost all businesses do little to no online sales. If online sales were part of their business, they primarily did so in partnership with a third party delivery app like Door Dash or Foodjets.

What is your employee mix?

Full-Time	49%
Part-Time	48%
Temp/Seasonal	3%

Businesses surveyed collectively employ approximately 3000 people.